

Rumson 2022 Reassessment Report

11/1/21



[Reassessment FAQ](#)

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[2021 Reassessment Report](#)

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A Message from the Assessor

The past two years have been an exceptional period for real estate. The post COVID world has caused incredible price appreciation and volatility throughout the entire market. The recent market changes highlight the importance of the assessment function, which serves as the *distribution* mechanism of county, school, and municipal tax levies.

The New Jersey constitution requires annual tax levies to be distributed based on market value. Contrary to popular belief, property assessments do not generate taxes. They simply distribute them. Despite technological advances, many municipalities in the state *still* take a “portfolio snap shot” at a point in time and distribute their property taxes the way that picture looked for the subsequent 10 or 20 years (*see exhibit A*). By not implementing a proactive assessment maintenance approach, tax distribution becomes less accurate each year that passes, as it assumes that all property values within a municipal boundary appreciate or depreciate at the same rate over time. This assumption is completely inaccurate since property values do not necessarily change in a uniform manner across all property types and sectors. The various real estate markets in the Borough of Rumson have been prime examples of how different price points and submarkets move at different rates (and sometimes, *even in different directions*). Annual assessment maintenance is simply about tax distribution fairness (as defined by the NJ constitution).

Through the 2022 reassessment, changes to the global assessment modeling were made to target market value. Adjustments were also made to all individual properties, neighborhoods and submarkets to refine assessment accuracy. The goal of a reassessment is to annually target 100% market value so that statistical measurements represent better assessment accuracy. For the upcoming 2022 tax year, the overall aggregate value of the Borough of Rumson will be approximately 13% higher than it was in 2021. This does not mean that property taxes will go up 13%.

It means that the overall value of properties in the community has increased. If the Borough valuation increases, the tax rate generally decreases. The Borough anticipates that the 2022 tax rate will be lower than the 2021 tax rate due to this increase in property values (*see figure 8*). Contained in this report is more detail on the reassessment process and results.

Erick Aguiar, CTA



Assessor
Borough of Rumson

Prior Year (2021) Assessment Accuracy Reflection

Each October, the NJ Division of Taxation conducts statistical studies which measure the accuracy of current year assessments. These studies could be considered the “assessor’s gradebook” for that year’s assessments and resulting tax distribution. Nevertheless, recognition must be made that the assessments are produced the prior year based on past sales, and the study is done the subsequent year based on future sales. Appreciating markets would likely result in a ratio under 100%, while depreciating markets would likely result in a ratio over 100%.

As anticipated, the dynamic and volatile market has affected assessment accuracy/market predictability statewide and beyond. It should be well understood that when markets are more volatile (up or down), coefficients will statistically be higher. Market participants tend to make decisions more erratically and emotionally. Low supply causes bidding wars where a home could end up transacting at a price that is not supported by other data. Most importantly, when markets move so rapidly, the dataset of sales within the 1/1-6/30 sampling period will contain sales from various points in time when the market was dramatically different (i.e. June 2021 sales are significantly higher than January 2021 sales). Since the sampling period extends the entire timeframe (not accounting for market changes) the COD measurements are expected to be higher.

While CODs will be higher in both; reassessment and non-reassessment districts, the fact remains that the reassessment districts are better suited to deal with this higher level of volatility. Coefficients in stagnant assessment districts will continue to deteriorate each year that maintenance is ignored. On the other hand, reassessment districts can adjust assessments accordingly with the changing market. Not surprisingly, reassessment districts have weathered the volatility storm better than the non-reassessment districts have. Moreover, the prognosis for non-reassessment districts is very concerning. Without ability to make appropriate changes, the tax distribution accuracy will progressively get worse as years go on. The post COVID market share shake up should be addressed statewide (*see exhibit A*).

Director’s Ratio

Rumson’s 2021 Director’s Ratio was 94.6%. While the “Director’s Ratio” is a complex calculation, this measurement is intended to express the typical relationship between assessments and sale prices in a given municipality. The sampling period used for the Director’s Ratio contains sales that took place between January and June. It is then blended with the Director’s Ratio from the prior year to stabilize shared levy impacts. With assessments being set during the pre-tax year (based on sales that took place during the prior two-year period), it is expected that ratios will be lower than 100% when markets are appreciating. The opposite would hold true for declining markets. Typically, real estate markets do not appreciate significant amounts year over year, so little emphasis was put on this topic in prior reassessment reports. However, the recent market changes have been exceptional so the calculation is worth noting in this report to provide context to the declining ratio.

General Coefficient of Deviation (COD)

The General Coefficient of Deviation is widely held as the best indicator in determining proper tax distribution. It is a way to measure how tightly clustered individual assessment ratios are in relation to the average ratio. A lower COD means more accurate and fair tax distribution. The COD normalizes ratios to show accuracy within a municipality regardless of what the Director’s Ratio is in any given year.

The more homogeneous the properties in a municipality are, the lower the COD should be. For example, a municipality that is comprised of mostly townhouses would be expected to yield better assessment accuracy than a municipality that

is comprised of a complex range of property types and values (like Rumson). Through annual reassessments, Monmouth and Somerset Counties are showing much lower CODs compared to historical or statewide data.

Despite the complexity of the Borough, Rumson's COD is more accurate than the norms in the rest of the state, meaning that the assessments and resulting tax distribution are more fair. Rumson is also trending to be meaningfully more accurate than historical coefficients. The 2020 COD was **8.38** which was the lowest COD on record for Rumson (in at least the past 30 years). While a historical comparison is an important measurement, the COD must continue to be analyzed over time as coefficients will inevitably be higher during years that the underlying market is more volatile or suffers from lack of supply or demand (like 2021). Despite the market volatility this year, the 2021 COD was still lower than the historical average in Rumson.

Below is a summary of Rumson's general COD for the past 8 years (*see figure 1*). Rumson's average COD prior to implementation of annual reassessments (years 1991-2014) was 13.68.

Year	General Coefficient of Deviation
2014	12.53
2015	18.95
2016	11.74
2017	12.50
2018	12.57
2019	9.45
2020	8.38
2021	10.69

(figure 1)

Inspections (data collection)

The Borough completed the first five-year inspection cycle in 2018. The second cycle was front loaded to be complete as a 50/50 schedule split between 2019 and 2020. That cycle is now complete (*see figure 2*).

Unfortunately, the Division of Taxation recently established a regulation that requires all annual reassessment districts to inspect properties every five years (*see exhibit B*). Rumson had planned on operating under a previously permissible eight-year inspection cycle which *would have been* less expensive and would have inconvenienced residents with inspections less frequently. The law allowing the eight-year cycle was put in place only a few years ago as a cost saving measure for municipalities. Recently, a new law was passed to allow virtual inspections (and established some other changes). In the new law, the language specifically allowing the eight-year cycle was removed and no longer specifies a timeframe. Division of Taxation’s decision to regulate as a five-year cycle removes the Borough’s ability to spread the cost over the eight-years. On the bright side, the Borough has been granted permission to deviate from the “20% per year” inspection routine and instead shall comply with the schedule set forth in *figure 2*.

Inspection Plan

1341 Rumson				
First Cycle (COMPLETE)	Year	Original Planned	Completed	Notes
	2014	20%	20%	5 yr cycle (2014-2018)
	2015	20%	20%	
	2016	20%	20%	
	2017	20%	20%	
	2018	20%	20%	1st cycle complete in 2018
Approved Second Cycle (COMPLETE)	Year	Approved Plan	Completed	Notes
	2019	20%	50%	County/State approved modification to plan to front load all to 2019&2020
	2020	20%	50%	2nd Cycle complete in 2020
	2021			5 yr cycle (2019-2023)
	2022			
	2023			
Planned Third Cycle (plan approved 8/19/21)	Year	Planned	Completed	Notes
	2024			
	2025	RFP		Plan to RFP in 2025 for 2026/2027
	2026	50%		5 Year Cycle (2024-2028)
	2027	50%		
	2028			

(figure 2)

General Comments on the Current Real Estate Market

The previous Reassessment Report (for 2021) was published one year ago (November 2020). That report touched on the market changes that were just beginning to be felt at that time. Assessments were cautiously changed from 2020 to 2021 as the data was incredibly new and changing quickly. It was important to be sure that the market changes were indeed going to be sustained before making drastic changes to the assessments.

One year later, it is safe to say that the market has progressively accelerated. The flight from the city and low interest rate environment are certainly identifiable causes of these market dynamics. For the vast majority of properties, the market is driven by buyers interested in what their monthly payment will be. Availability of historically low interest rates makes *all* homes more affordable, so the higher real estate prices should not be much of a surprise.

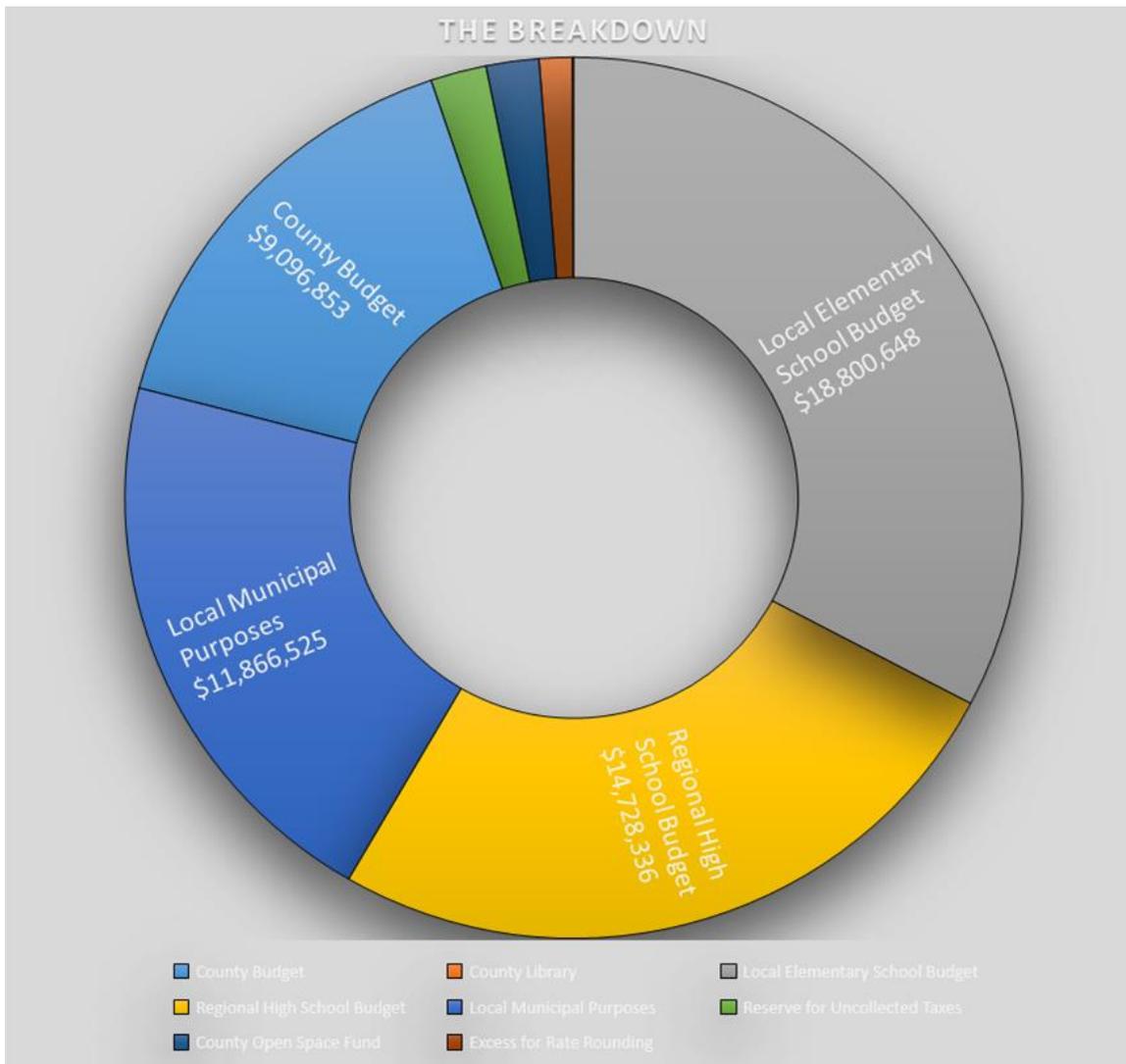
The 2022 reassessment takes the most recent market changes into account. Sales from 2020 and 2021 were used in the reassessment modeling, giving greater weight to the more recent sales. The 2022 aggregate value of Rumson's assessments will increase by 13.05%. This 13.05% can be seen as the baseline of apportionment change. Any property increasing greater than 13.05% will pay a greater proportionate share of the tax levy. Conversely, any property increasing less than 13.05% (or decreasing) will pay a lesser proportionate share of the tax levy.

It is important to keep in mind that shared budgets (like the Regional School and County budgets) are apportioned to the participating towns based on the respective net values of those towns. Should appreciation in Rumson outpace our 52 counterparts in the County, we will be assigned to pay a higher proportionate share of the County Tax Levy. Should Rumson outpace Fair Haven, we would be assigned to pay a higher proportionate share of the Regional School Levy (*see figure 3*). The way the market behaves is mainly out of our control, but it is important to keep a pulse on how other towns are assessing their properties. All towns should be on an equal playing field so that shared budgets get apportioned fairly.



Rumson Tax Levy History

Tax Levy Component	2016 Tax Levy	2017 Tax Levy	2018 Tax Levy	2019 Tax Levy	2020 Tax Levy	2021 Tax Levy	Percent of Bill
County Budget	\$ 8,860,091	\$ 8,813,226	\$ 8,999,865	\$ 8,865,086	\$ 9,273,390	\$ 9,096,853	16%
County Library	\$ 608,173	\$ 617,595	\$ 637,924	\$ 634,189	\$ 674,967	\$ 682,800	1%
Local Elementary School Budget	\$ 15,467,271	\$ 16,059,502	\$ 16,899,627	\$ 17,332,020	\$ 18,103,124	\$ 18,800,648	33%
Regional High School Budget	\$ 12,681,878	\$ 12,989,474	\$ 13,534,345	\$ 13,898,869	\$ 14,451,437	\$ 14,728,336	26%
Local Municipal Purposes	\$ 10,289,019	\$ 10,514,109	\$ 10,849,768	\$ 11,157,169	\$ 11,376,795	\$ 11,866,525	21%
Reserve for Uncollected Taxes	\$ 988,067	\$ 1,016,115	\$ 1,050,634	\$ 1,087,578	\$ 1,409,296	\$ 1,157,193	2%
County Open Space Fund	\$ 508,863	\$ 517,809	\$ 999,527	\$ 1,023,753	\$ 1,082,820	\$ 1,093,431	2%
Excess for Rate Rounding	\$ 12,339	\$ 22,994	\$ 26,173	\$ 29,725	\$ 15,147	\$ 28,377	
Total Tax Levy	\$ 49,415,700	\$ 50,550,825	\$ 52,997,862	\$ 54,028,387	\$ 56,386,976	\$ 57,454,164	



(figure 3)

Total Change of Net Valuation Taxable

The net valuation of the Borough is increasing by 13.05% in 2022 (see figure 4). About 567M has been added to the Rumson ratable base (partially related to new construction and partially related to market appreciation).

2021 Final Net Valuation	4,037,537,857
2022 Preliminary Net Valuation	4,564,396,327
Change	526,858,470
Change %	13.05%

(figure 4)

Property Class Breakdown (Year over Year)

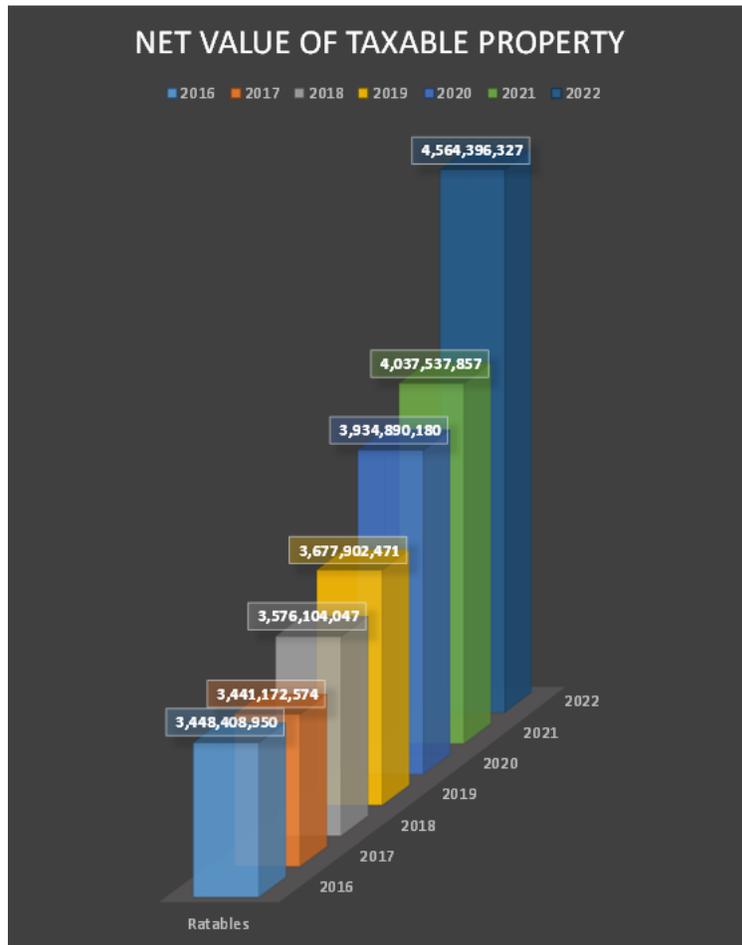
2021 Final Tax List					
Class	Property Type	Count	Value	Average	Share of Township
1	Vacant Land	50	37,194,900	743,898	0.92%
2	Residential	2532	3,832,861,700	1,513,768	94.93%
3A	Farm House	6	19,918,900	3,319,817	0.49%
3B	Farm Land	8	10,200	1,275	0.00%
4A	Commercial	67	145,210,700	2,167,324	3.60%
4C	Apartment	1	1,102,200	1,102,200	0.03%

Total	4,036,298,600
Verizon	1,239,257
Net Valuation Taxable	4,037,537,857

2022 Preliminary Tax List					
Class	Property Type	Count	Value	Average	Share of Township
1	Vacant Land	47	46,205,500	983,096	1.01%
2	Residential	2532	4,331,591,500	1,710,739	94.90%
3A	Farm House	7	28,610,200	4,087,171	0.63%
3B	Farm Land	8	10,200	1,275	0.00%
4A	Commercial	67	155,605,900	2,322,476	3.41%
4C	Apartment	1	1,084,900	1,084,900	0.02%

Total	4,563,108,200
Verizon	1,288,127
Net Valuation Taxable	4,564,396,327

(figure 5)



(figure 6)

2016 -2022 Tax Levy and Net Taxable Value			
Year	Tax Levy	Ratables	Tax Rate
2016	49,415,700	3,448,408,950	1.433%
2017	50,550,825	3,441,172,574	1.469%
2018	52,997,862	3,576,104,047	1.482%
2019	54,028,387	3,677,902,471	1.469%
2020	56,386,976	3,934,890,180	1.433%
2021	57,454,164	4,037,537,857	1.423%
2022	TBD	4,564,396,327	TBD

526,858,470	Ratable base change 2021 to 2022 (Prior to Appeals)
13.05%	Increase Prior to Appeals

(figure 7)

2022 Tax Rate Prediction

Year	Ratables	Tax Levy	Tax Rate
2021	4,037,537,857	57,454,164	1.423%
2022*	4,564,396,327	57,454,164	1.259%

*Rate if levy was the same year over year and no reductions from appeals

2022**	4,518,752,364	58,603,247	1.297%
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**Assumes a 1% reduction in ratables from appeals & 2% increase in Levy

Realistic 2022 Tax Rate Range 1.280%-1.300%

(figure 8)

Minimal Apportionment Volatility

Despite the volatile underlying market, volatility in terms of 2022 tax apportionment changes is actually minimal (see figures 9 & 10). 88% of residential properties are changing between 10% and 20% (baseline is 13.05%).

Over the past several years, there has been a market compression occurring in Rumson (lower valued properties appreciating at much greater rates than higher valued properties). Though, the higher value property market has recently started to gain momentum in 2021. While the lower value appreciation still outpaces the higher value, the margin is not as significant as it has been in the recent years. This is a positive development for individual property tax stability. If all boats rise similarly, the distribution of taxes does not change much.

Assessment change of all residential properties

(excluding new construction and properties that had renovations)

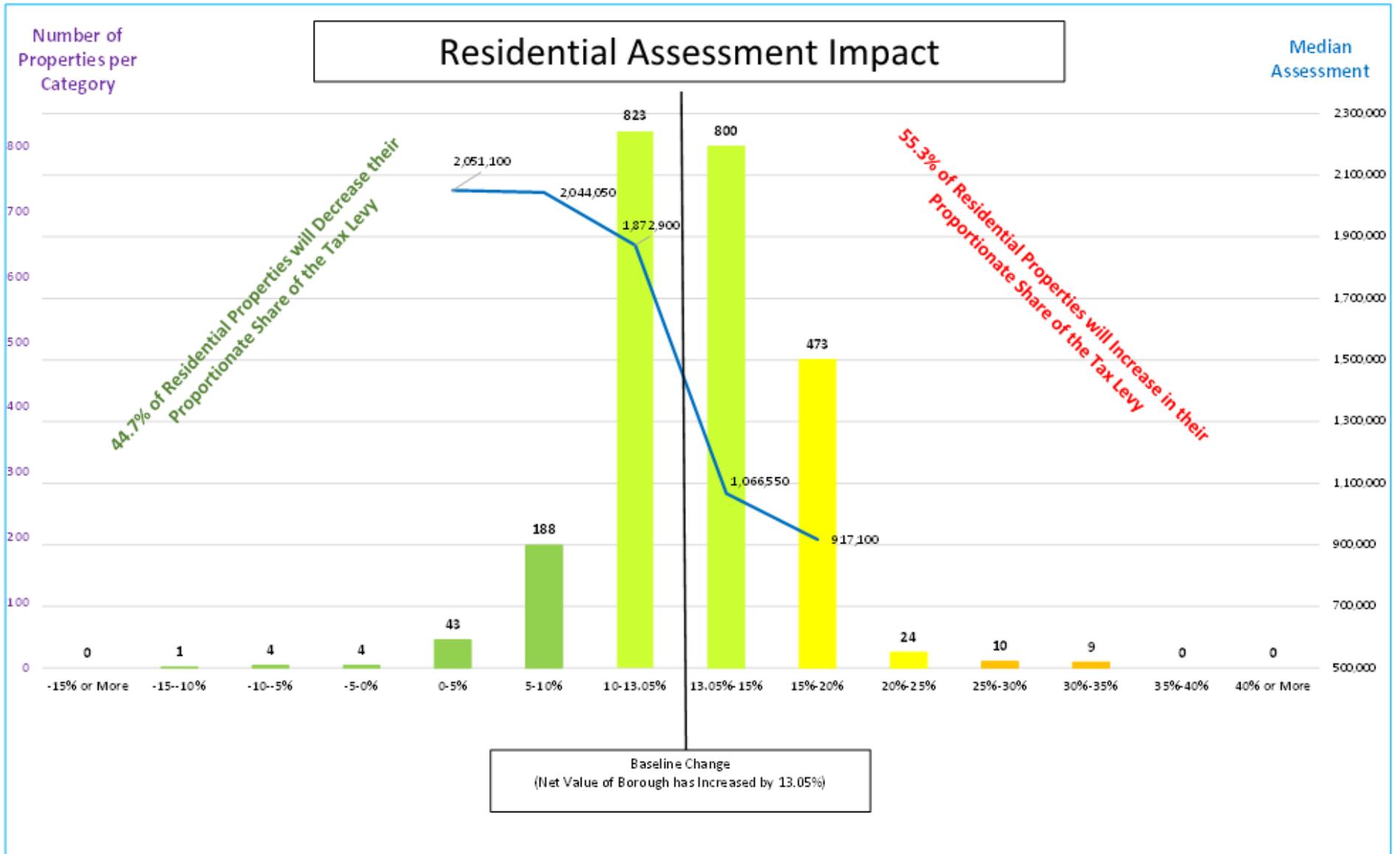
Residential Classified Properties				
	Assessment Change Category	Number of Properties In Change Category	% of Total	Median Assessment of Group
44.7% of Residential Properties will Decrease their Proportionate Share of the Tax Levy	-15% or More	0	0.00%	
	-15--10%	1	0.04%	
	-10--5%	4	0.17%	
	-5-0%	4	0.17%	
	0-5%	43	1.81%	2,051,100
	5-10%	188	7.90%	2,044,050
	10-13.05%	823	34.59%	1,872,900
54.3% of Residential Properties will Increase in their Proportionate Share of the Tax Levy	13.05%-15%	800	33.63%	1,066,550
	15%-20%	473	19.88%	917,100
	20%-25%	24	1.01%	
	25%-30%	10	0.42%	
	30%-35%	9	0.38%	
	35%-40%	0	0.00%	
	40% or More	0	0.00%	
Total Properties In Group		2379	100.00%	

*Net Value of Borough has Increased 13.05%

(figure 9)

Residential Change Report

The market compression continues but has slowed. Statewide, lower valued properties have been appreciating at greater rates than higher valued properties.



(figure 10)

2021 Tax List Accuracy

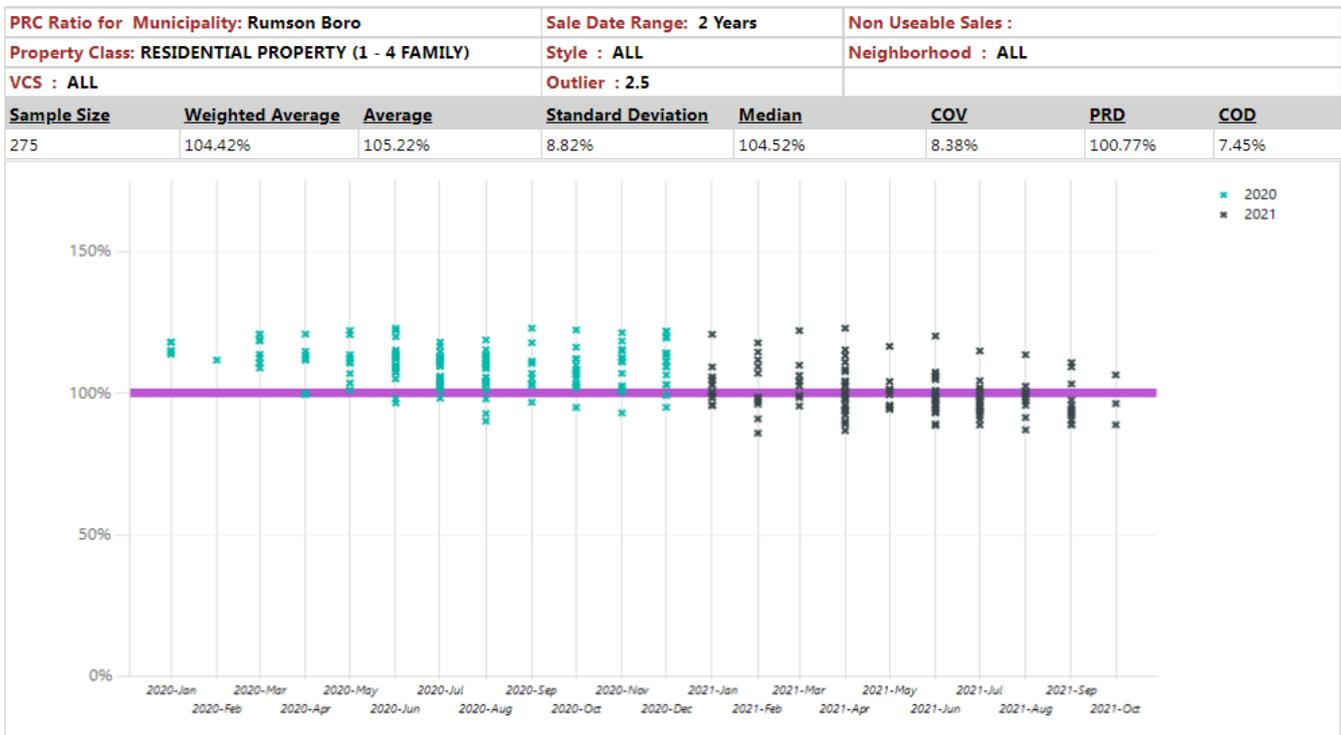
The primary driver of a reassessment is recent “arms-length market transactions”. Statutorily, properties are assessed for what they would have sold for on October 1st of the pretax year. The 2022 valuation date is October 1st, 2021.

Our Supreme Court has held “value for purposes of taxation has some measure of permanence which renders it secure against general temporary inflation or deflation.” (Hackensack Water Co. v. Division of Tax Appeals, 2 N.J. 157, 163 (1949)); and “True value must be fairly constant and must be gauged by conditions, not temporary and extraordinary, but by those which over a period of time will be regarded as measurably stable.” (Berkeley Arms Apartment Corp. v. City of Hackensack, 6 N.J. Tax 260, 286 (Tax 1983)).

These quotes are more important now than ever. While the local market has appreciated at significant rates, assessors must view sales data used in the study in its totality while mass modeling assessments. While more recent sales are certainly given more credibility in the analysis, older sales will still be a stabilizing factor with annual reassessments. Inevitably, older sales will pull the modeling in the direction that the market was in the past. With regard to the 2022 reassessment, current sales are much higher than 2020 and early 2021 sales. To some degree, the older sales data pulls the assessments lower than current sale prices actually are. Should this market appreciation continue through 2022, the Division of Taxation Director’s ratio will certainly be lower than the 100% target. We must recognize that the ratio study is being done with future sales, while the reassessment analysis is being done with past sales. The goal of the reassessment is to react to the market, not predict it.

A reassessment generally measures sale prices from the past two years (giving more credibility to the more recent transactions.) The Monmouth County Tax Board has a standardized review process to measure new assessments against sale prices from the current and prior year (see figures 11 & 12).

**Tax Board Assessment Data Analysis Module (ADAM360) Standardized Review:
All 2020/2021 residential usable sales
(removing top & bottom 2.5% outliers and properties that had renovations after the sale)
*Data addendum with sales attached**

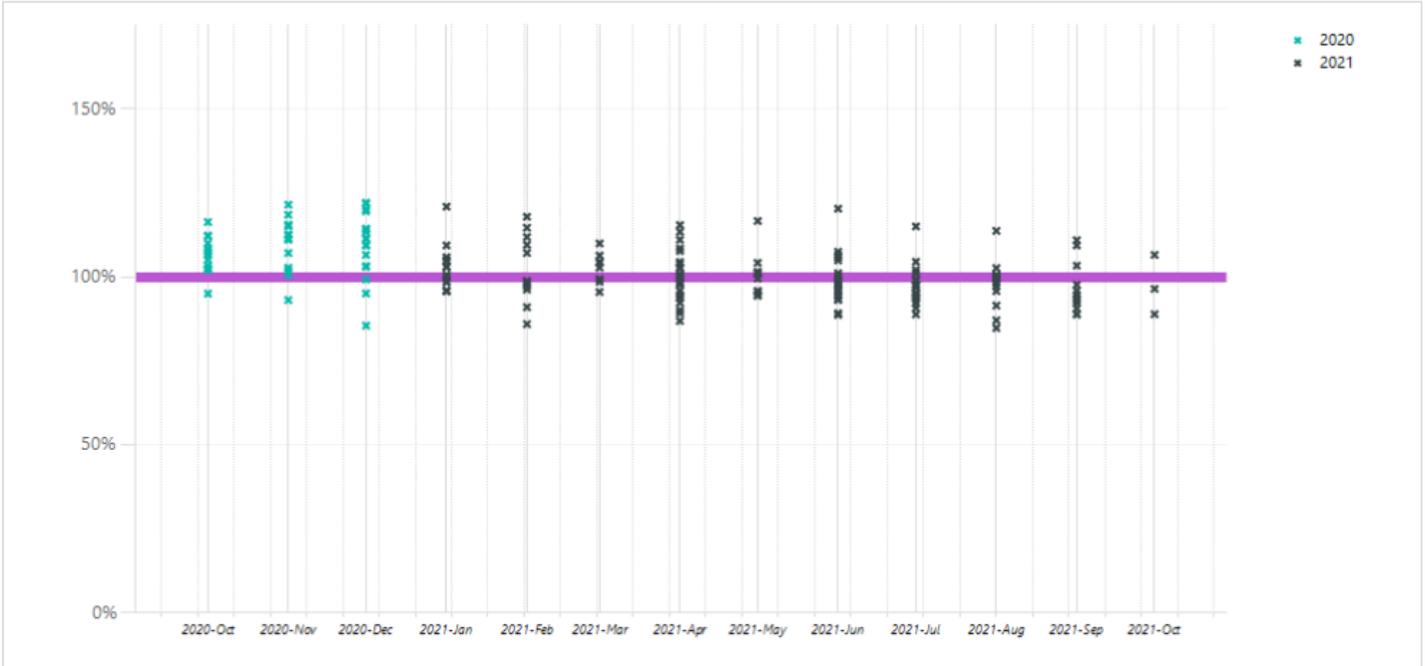


(figure 11)

Tax Board Assessment Data Analysis Module (ADAM360) Standardized Review:
All residential usable sales during the past 1 year period
(removing top & bottom 2.5% outliers and properties that had renovations after the sale)

**Data addendum with sales attached*

PRC Ratio for Municipality: Rumson Boro		Sale Date Range: 1 Year		Non Useable Sales :			
Property Class: RESIDENTIAL PROPERTY (1 - 4 FAMILY)		Style : ALL		Neighborhood : ALL			
VCS : ALL		Outlier : 2.5					
Sample Size	Weighted Average	Average	Standard Deviation	Median	COV	PRD	COD
173	100.94%	101.93%	8.46%	100.58%	8.30%	100.98%	6.90%



(figure 12)

Lot Valuation Matrix (Acreage Costed VCS)

*does not include property specific adjustments (Traffic, flood zone, economic obsolescence, etc.)

Neighborhood			VCS Calculation Matrix							
Section	VCS	Description	Site	Per Acre- Up to Standard Size 1 or 1.5 (see Section)	Per Acre of Excess (After Standard Size)	1 Acre Lot	1.5 Acre Lot	2 Acre Lot	2.5 Acre Lot	4 Acre Lot (w/ one site)
R1- Non Waterfront Residential 1.5 Acre Standard Lot	R101	North of Ridge	975,000	250,000	140,000	1,225,000	1,350,000	1,420,000	1,490,000	1,700,000
	R102	Between Rumson & Ridge	975,000	250,000	140,000	1,225,000	1,350,000	1,420,000	1,490,000	1,700,000
	R103	South of Rumson	950,000	250,000	140,000	1,200,000	1,325,000	1,395,000	1,465,000	1,675,000
	R104	Woods End to Fair Haven Rd	850,000	225,000	125,000	1,075,000	1,187,500	1,250,000	1,312,500	1,500,000
R2- Non Waterfront Residential 1 Acre Standard Lot	R201	Circle / Edgewood	875,000	250,000	140,000	1,125,000	1,195,000	1,265,000	1,335,000	1,545,000
	R202	Sugar Maple	925,000	250,000	140,000	1,175,000	1,245,000	1,315,000	1,385,000	1,595,000
	R203	East of Ave of Two Rivers	1,050,000	250,000	140,000	1,300,000	1,370,000	1,440,000	1,510,000	1,720,000
	R204	East of Navesink Ave	1,200,000	300,000	150,000	1,500,000	1,575,000	1,650,000	1,725,000	1,950,000
	R205	West of Golf Course	975,000	250,000	140,000	1,225,000	1,295,000	1,365,000	1,435,000	1,645,000
	R206	Riverside / Mins	950,000	250,000	140,000	1,200,000	1,270,000	1,340,000	1,410,000	1,620,000
W1- Waterfront Residential 1.5 Acre Standard Lot	W101	West River Waterfront	2,350,000	625,000	450,000	2,975,000	3,287,500	3,512,500	3,737,500	4,412,500
	W102	North Ward Waterfront	2,150,000	575,000	350,000	2,725,000	3,012,500	3,187,500	3,362,500	3,887,500
	W103	Eastside Shrewsbury River	1,650,000	425,000	115,000	2,075,000	2,287,500	2,345,000	2,402,500	2,575,000
	W104	Non-Premium Shrews-Large Sections of Marshland	1,500,000	400,000	25,000	1,900,000	2,100,000	2,112,500	2,125,000	2,162,500
W2- Waterfront Residential 1 Acre Standard Lot	W201	Navesink Waterfront	2,000,000	450,000	275,000	2,450,000	2,587,500	2,725,000	2,862,500	3,275,000
	W202	Non-Premium Nav-Large Sections of Marshland	1,500,000	400,000	25,000	1,900,000	1,912,500	1,925,000	1,937,500	1,975,000
	W203	Blackpoint Horseshoe	1,900,000	450,000	115,000	2,350,000	2,407,500	2,465,000	2,522,500	2,695,000
	W204	Shrewsbury Riverfront	1,500,000	400,000	200,000	1,900,000	2,000,000	2,100,000	2,200,000	2,500,000
	W205	Inlets West of Golf Course	1,050,000	350,000	175,000	1,400,000	1,487,500	1,575,000	1,662,500	1,925,000
	W206	Oyster Bay	1,400,000	300,000	200,000	1,700,000	1,800,000	1,900,000	2,000,000	2,300,000

(figure 14)

Lot Valuation Matrix (Front Foot Costed VCS)

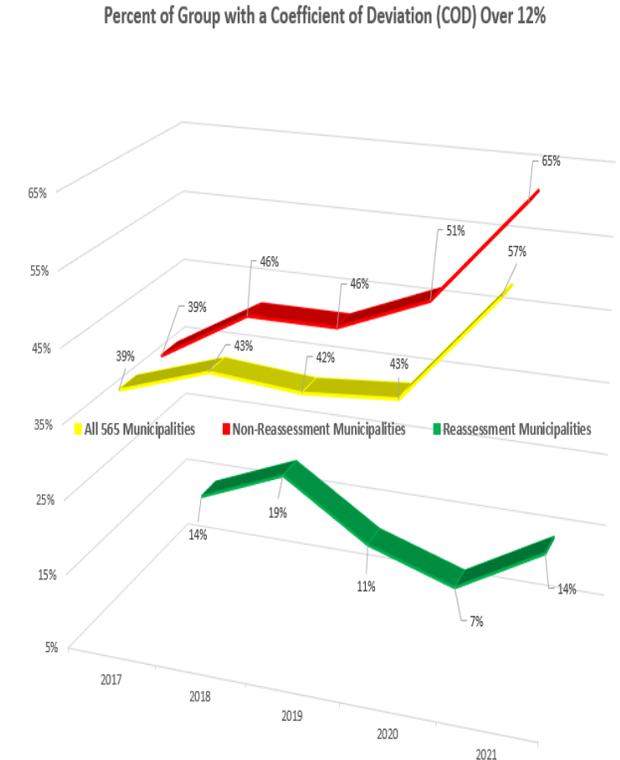
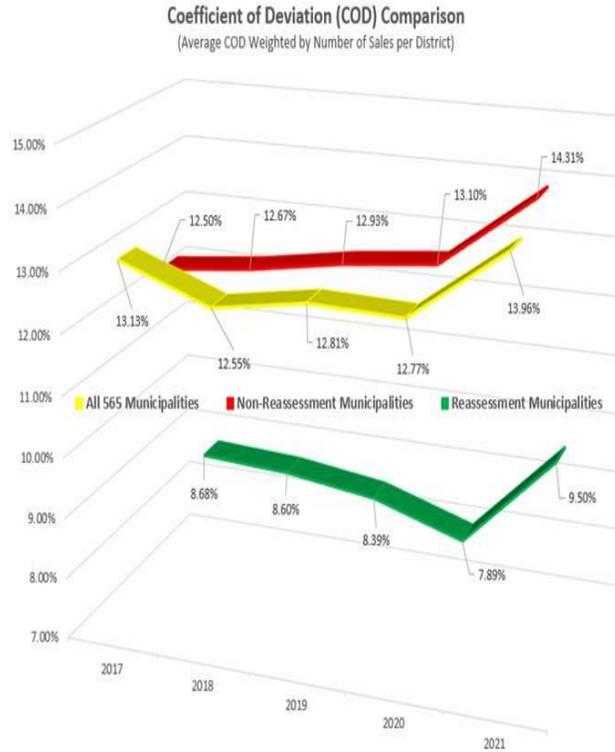
*does not include property specific adjustments (Traffic, flood zone, economic obsolescence, etc.)

Neighborhood			VCS Calculation Matrix										
Section	VCS	Desc	Site	FF Calc (up to 75ft then 0.5 factor)	25x75 (.5DF)	50x75 (.5DF)	100x75 (.5DF)	25x150 (1.00DF)	50x150 (1.00DF)	100x150 (1.00DF)	25x250 (1.26DF)	50x250 (1.26DF)	100x250 (1.26DF)
R4- FF Method (Medium Sized Lot Areas)	R401	Cherry/Crabapple	575,000	5,100	638,750	702,500	798,125	702,500	830,000	1,021,250	735,650	896,300	1,137,275
	R402	Bingham/Park	460,000	5,100	651,250	587,500	683,125	587,500	715,000	906,250	620,650	781,300	1,022,275
	R403	Robin/Blossom	600,000	5,100	791,250	727,500	823,125	727,500	855,000	1,046,250	760,650	921,300	1,162,275
	R404	Residential North of E River	405,000	3,800	547,500	500,000	571,250	500,000	595,000	737,500	524,700	644,400	823,950
	R405	Oak Tree/Park	515,000	5,100	706,250	642,500	738,125	642,500	770,000	961,250	675,650	836,300	1,077,275
	R406	Small Lots East of Ave of Two Rivers	515,000	5,100	706,250	642,500	738,125	642,500	770,000	961,250	675,650	836,300	1,077,275
R5- FF Method (Small Sized Lot Areas)	R501	Church/Lafayette	405,000	5,100	596,250	532,500	628,125	532,500	660,000	851,250	565,650	726,300	967,275
	R502	Lennox/Lakeside	380,000	5,100	571,250	507,500	603,125	507,500	635,000	826,250	540,650	701,300	942,275
	R503	E River/Center	380,000	5,100	571,250	507,500	603,125	507,500	635,000	826,250	540,650	701,300	942,275
	R504	Holly/Bay	405,000	5,100	596,250	532,500	628,125	532,500	660,000	851,250	565,650	726,300	967,275
	R505	Ave of Two Riv/Ridge	360,000	5,100	551,250	487,500	583,125	487,500	615,000	806,250	520,650	681,300	922,275
	R506	West park Non-Waterfront	405,000	5,100	596,250	532,500	628,125	532,500	660,000	851,250	565,650	726,300	967,275
	R507	West of Golf Course Non-Waterfront	375,000	5,100	566,250	502,500	598,125	502,500	630,000	821,250	535,650	696,300	937,275
W5- FF Method (Small Sized Lot Areas Waterfront)	W501	Highland Ave Waterfront	600,000	6,300	836,250	757,500	875,625	757,500	915,000	1,151,250	798,450	996,900	1,294,575
	W502	West Park Waterfront	625,000	6,300	861,250	782,500	900,625	782,500	940,000	1,176,250	823,450	1,021,900	1,319,575
	W503	West of Golf Course Waterfront	625,000	6,300	861,250	782,500	900,625	782,500	940,000	1,176,250	823,450	1,021,900	1,319,575

(figure 15)

EXHIBIT A

Statewide Comparison of Reassessment vs. Non-Reassessment Districts



***Reassessment Municipalities are the 72 districts that reassessed every year for the past five years**

****Non-Reassessment Municipalities are the 380 districts that have done no reassessments or revaluations in at least five years**

EXHIBIT B

Division of Taxation removed ability to spread inspections over 8-Year period



State of New Jersey

DEPARTMENT OF THE TREASURY
DIVISION OF TAXATION
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MEMORANDUM

TO: Municipal & County Assessors, County Tax Board Administrators & Commissioners

FROM: Shelly Reilly, Assistant Director, Property Administration

DATE: August 18, 2021

SUBJECT: Interior Inspection Cycles for Annual Reassessments

This memorandum is in regard to the inspection cycles for annual reassessments and supersedes the memorandum of August 10, 2018. Pursuant to Chapter 136, Laws of 2021, N.J.S.A. 54:4-23b was amended to remove the language permitting interior inspection cycles to occur over an eight-year period. Now, the statute allows for "an ongoing inspection cycle," with no specified time period in the law.

Since the statute no longer specifies a particular length of interior inspection cycle, the provisions of N.J.A.C. 18:12A-1.14(i) now govern. The maximum permissible length of an interior inspection cycle for annual reassessment is five years. This will be applied prospectively to ensure uniformity amongst the properties within each county.

The Division of Taxation will contact the assessors and county tax administrators for municipalities currently in the midst of eight-year interior inspection cycles on how to proceed with the law's amendment based on the particular facts and circumstances of that municipality.

It remains the policy of the Division of Taxation to have the percentage of inspections equally distributed throughout the inspection cycle. That is, the assessor should inspect 20% of line items each year over the five-year period. If an assessor wishes to deviate from this policy, he or she must provide a written request and justification of the circumstances in the particular municipality to the County Tax Administrator and the Division of Taxation.

If you have any questions, contact the Division of Taxation at (609) 292-7974 or (609) 292-7975.

SR: KB